



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

September 19, 2007

Mr. Richard Pu

State of New York

Dear Mr. Pu:

Thank you again for your comments regarding the consent agreement that the Commission accepted for public comment on June 1, 2007, in *In the Matter of Rite Aid Corporation and Jean Coudu Group, Inc.*, File No. 0610257, Docket No. C-4191. Your letter indicates that you are concerned about the adequacy of the proposed Consent Order accepted by the Federal Trade Commission.

In particular, you express concern that consumers in some areas may be unwilling to travel using public transportation to avoid higher prices for prescription drugs. Such analysis of purchaser behavior is certainly relevant to antitrust merger analysis. Indeed, Commission staff considered the travel habits and patterns of consumers in each of the areas where the merging entities both operated stores and found there were sufficient existing competitors and/or likelihood of entry by new competitors to preserve competition in many of those markets. By contrast, in markets in which Commission staff found an insufficient number of competitors and an unlikelihood of entry by new pharmacies, the Commission's Consent Order requires the parties to divest one or more stores. Therefore, the Commission's Consent Order will serve to maintain the pre-existing level of competition in the markets where the merger would negatively impact competition.

Once again, we appreciate your interest in this matter.

By direction of the Commission.

Donald S. Clark
Secretary of the Commission